FINANCIAL NEWS

SALES & EARNINGS

Company	Period Ended	Current Sales*	Year-Ago Sales*	% Change	Current Earnings*	Year-Ago Earnings*	% Change
Action Industries	12/26-2nd qtr.	$ 18,714	$ 16,884	11	–$ 4,163	$ 579	—
Boise Cascade	12/31-4th qtr.	728,290	807,310	–10	37,240	43,370	–14
	12/31-Year	3,107,360	3,018,940	3	120,080	147,940	–19
Cyclops	12/31-4th qtr.	246,691	267,184	– 8	3,286	7,840	–58
	12/31-Year	1,031,414	978,976	5	21,384	20,407	5
Scotty's	1/23-4 wks.	20,911	20,972	—	—	—	—
Southwest Forest Ind.	12/31-4th qtr.	172,441	177,142	– 3	6,163	7,454	–17
	12/31-Year	779,461	737,938	6	18,420	32,263	–43
Union Camp	12/31-4th qtr.	373,867	394,692	– 5	35,647	40,393	–12
	12/31-Year	1,665,888	1,574,825	6	168,948	165,132	2

*$ in thousands

49 Homecrafters are still on the block

WAYNE, N.J.—Union Camp, having completed the sale of its Moore-Handley wholesale hardware, industrial supply and machine tool divisions, is still trying to sell 49 Homecrafters stores in the Southeast, sources indicated.

In the meantime, the Homecrafters outlets have a new corporate name, Homecrafters Centers Inc., the new name replaces the Moore-Handley name, which will be retained by the purchasers of the three divisions. Stores will continue to operate under the Homecrafters name, however.

The sale of the three divisions to a private investment group led by William Riley of New York and Pierce E. Marks Jr. of Atlanta is believed to be in the eight-figure range.

Union Camp continues to try to strike a deal for the sale of the entire $100 million, 40%-DIY Homecrafters chain, according to sources.

The leading contender for the chain continues to be Diamond International, which is showing the strongest interest in purchasing the whole chain.

STOCK PRICES

Companies with predominant home center sales

	As of 1/27	As of 2/3
Lowe's (NYSE)	13¼	13¾
Payless Cashways (NYSE) [Furrow]	16⅞	17¾
Scotty's (NYSE)	16⅞	18⅜

Over-the-counter stocks

	As of 2/3 Bid	Asked
Erb Lumber	10	11½
Hechinger	15¾	16⅛
The Home Depot	13½	14¼
Pay 'N Pak	13¾	14⅛
Wolohan Lumber	3⅜	3⅝

Companies with significant home center sales

	As of 1/27	As of 2/3
Action Industries (AMEX) [Action Home Centers]	2⅜	2½
American Maize Products (AMEX) [Lloyd Lumber, Lundy-Briggs]	10	10
Boise Cascade (NYSE)	30½	31
Cyclops (NYSE) [Busy Beaver]	24¾	23½
Diamond Int'l (NYSE)	37	37
Edison Brothers (NYSE) [Handyman, Homer's]	23½	23⅝
Evans Products (NYSE) [Alamo Ent., Grossman's, Moore's, Hubbard & Johnson, Lindsley]	14⅝	15¼
Forest City (AMEX)	12¼	12⅛
W. R. Grace (NYSE) [Angels, Cashway, Channel, Handy City, Handy Dan, Orchard]	43⅞	42⅝
Interco (NYSE) [Central Hardware]	44¼	45¾
Peavey (NYSE) [Fish, Peavey/Thunderbird]	20¾	20¾
Southwest Forest Industries (NYSE) [Dunlap's, Knox Lumber]	14⅛	14
Supermarkets General (NYSE) [Rickel]	17⅝	18½
Union Camp (NYSE) [Homecrafters]	44½	46¾
Wickes (NYSE) [Wickes Lumber, Builders Emporium]	8	8¼

Over-the-counter stocks

	As of 2/3 Bid	Asked
Dart Drug	11⅞	12¼
Hines Lumber	16¾	17½
Pay 'n Save [Ernst, Von Tobel's, Yard Birds]	22	22⅛

Lowe's January sales dip 18%, retail side rises 7%

NORTH WILKESBORO, N.C.—Lowe's sales for the five-week period ended Jan. 30, totaled $54.6 million, an 18% decline from the $67 million reported for the comparable period in 1981.

Retail volume was up 7% from $26.6 million to $28.5 million, while professional builder sales decreased 35% in the period from $40.4 million to $26.1 million. The retail/contractor mix was 52/48 for the period.

Lowe's sales for its fiscal 1981, ended Jan. 31, 1982, totaled $894 million, an increase of 1% over last year.

In another move, Lowe's board of directors recently voted to issue 466,811 common shares to its employee stock ownership plan and trust (ESOP). Shareholders last fall authorized the directors to issue up to 500,000 shares to the plan (*NHCN*, Oct. 26, 1981).

The issuance of the stock will be part of Lowe's fiscal 1981 contribution to the plan and will bring the number of the chains outstanding shares to 20 million. Lowe's ESOP program will hold 2,750,000 of the shares and will be Lowe's largest shareholder.

Southwest Forest '81 biz up 5.6%

PHOENIX—Southwest Forest Industries reported 1981 net income of $18,420,000 compared to 1980's record $32,263,000. Sales for 1981 totaled $779,461,000, a 5.6% increase over 1980 sales of $737,938,000.

Fourth-quarter sales and net income were $172,441,000 and $6,163,000 respectively, compared to $177,142,000 and $7,454,000 in the fourth quarter of 1980.

W. A. Franke, Southwest's president and ceo, said the company's building products group made money during the year, in large part because of the good performance of Knox Lumber retail distribution outlets which were acquired in December 1980.

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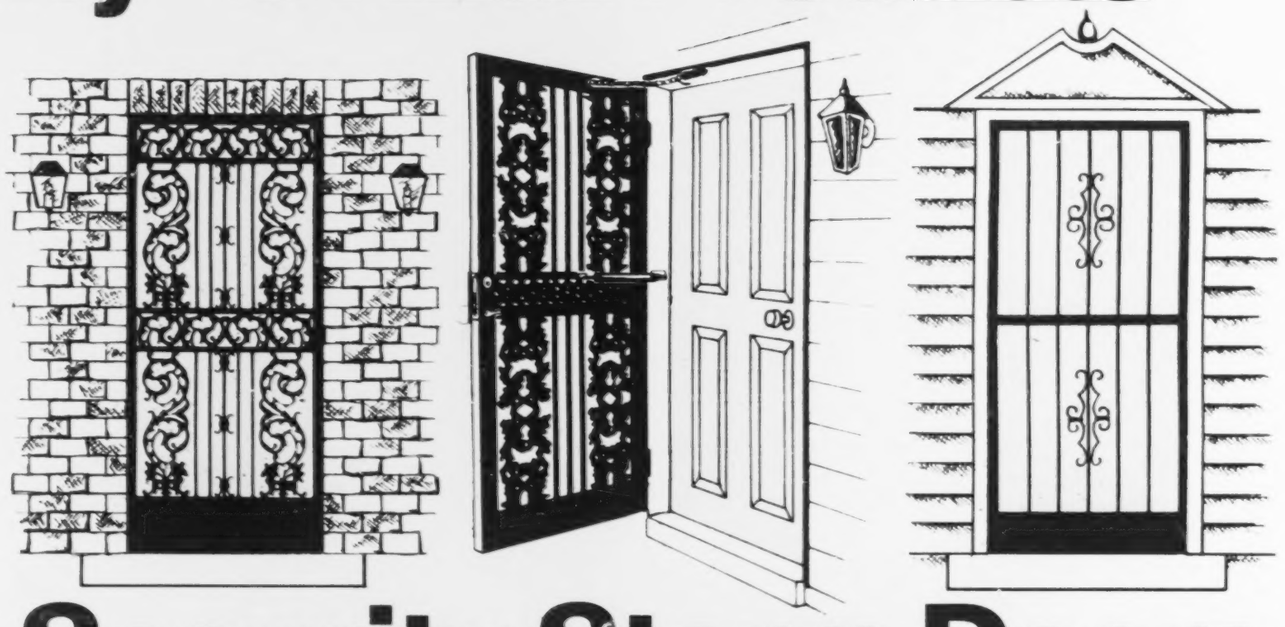

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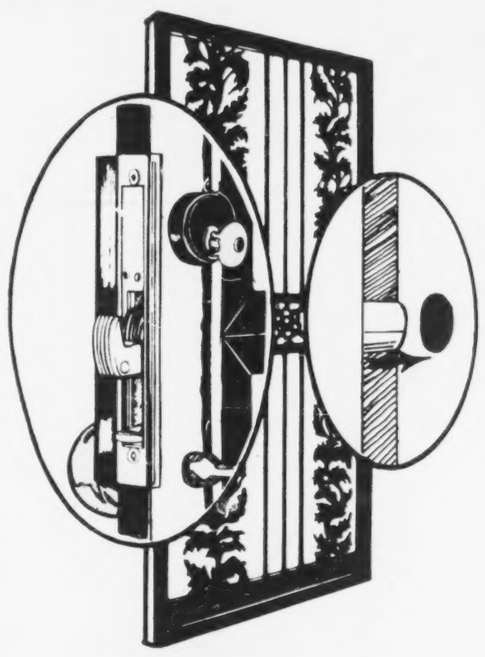

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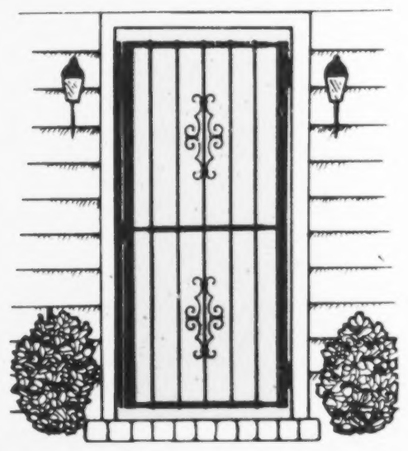

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LUMBER REPORT

High interest rates keep lid on lumber prices

By Hawk Furman
Special to NHCN

The lumber and plywood industry has experienced pain since March 1980 when prices slid 35% from February 1980 levels.

Today, lumber production in North America has been curtailed to 30%-40% of normal. There are 250 mills closed in the Pacific Northwest as a direct result of market conditions.

The construction industry has 900,000 people out of work, and its unemployment rate is over 18%.

The National Assn. of Home Builders states that 250,000 home builders have been put out of business. Housing starts for all of 1981 were at their lowest level since 1946.

But enough depressing history. What is ahead for our industry in 1982?

Housing demand

Demand for homes is incredible. The NAHB estimates the number of housing transactions will fall behind the nation's need at the rate of 100,000 units a month in 1982. Prospective home buyers are impatient and frustrated.

Hawk Furman, sales manager, Furman Lumber, Boston

All of the creative financing vehicles including buy downs, variable rate mortgages, graduated payments, land leases, shared appreciation mortgages, renegotiable mortgages, and mortgage extensions to 40 years have helped, but only slightly.

The basic money rates are just too high. At a 17% mortgage rate, only 1.8 million families can qualify for a mortgage. At a 12% mortgage rate, 7.9 million families can.

Only if mortgage rates drop will demand begin to be satisfied significantly.

Lumber production

Lumber and plywood producers in North America have cut back to the bone.

Even the biggest Canadian lumber manufacturer, MacMillan Bloedel, felt the full force of high interest rates. MacMillan Bloedel had an operating loss of $38.4 million in the third quarter of 1981.

The prediction is that lumber production will stay at current depressed levels until prices rise $30 per thousand board feet and until there is confidence that there will be some solid long-term business.

By the time the housing solution is finally found, however, a lot of United States lumber production will be lost. Long term, this means less production and control of production by fewer hands.

If interest rates drop dramatically and a decent part of the housing industry is rebuilt, lumber prices will double.

Interest rates

The key to healthy lumber, plywood and construction industries is low interest rates. Unfortunately, it is impossible to predict where interest rates will be in 1982.

Subsidized mortgages via passbook savings accounts are gone forever. The potential homeowner is competing for money with United States corporations and the Government.

If current interest rates hold, the housing industry will remain depressed. If interest rates ease, housing will pick up. It sounds basic and it is.

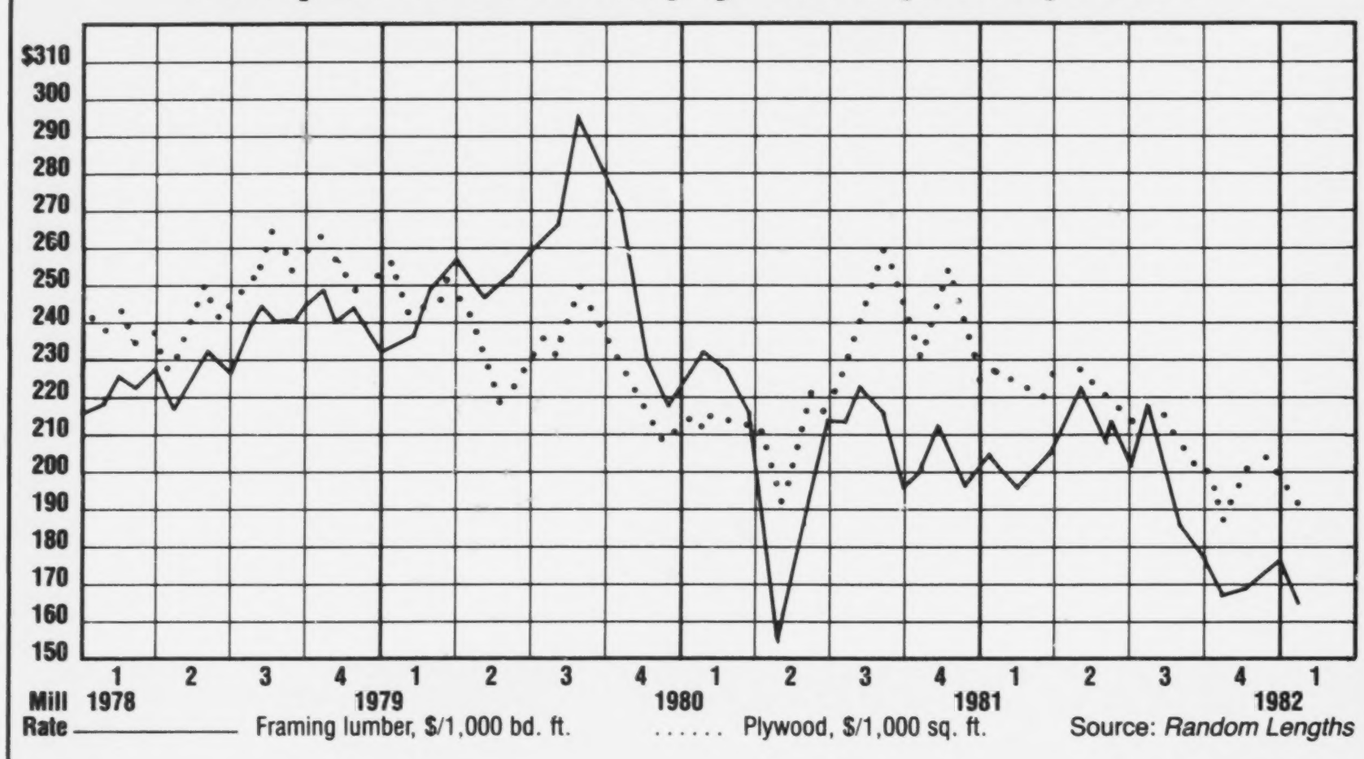
In summary, the risk of lower lumber prices is minimal. The mills can only bleed so much and many have bled to death.

The prospects for increasing lumber prices in the next few months look doubtful if Samuel Pierce, secretary of Housing and Urban Development, is right.

He states, "President Reagan's Economic Recovery Program will work, but high interest rates and inflation will continue for more months."

It appears then that lumber and plywood prices will remain at bargain levels.

Composite lumber/plywood price profile



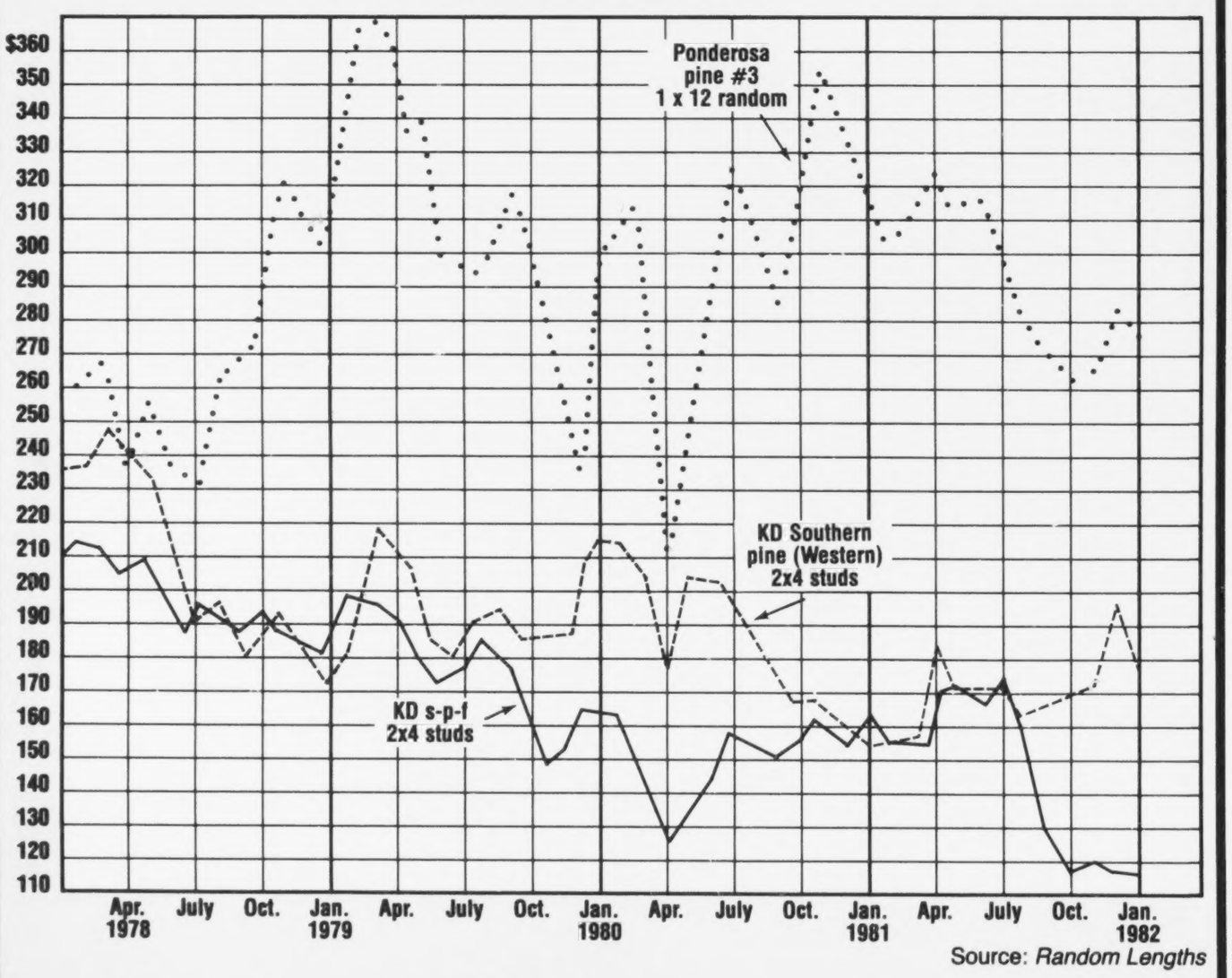
Source: *Random Lengths*

While prices rose slightly at year end, with the framing lumber composite price reaching $178 during December, January saw a quick decline—partly due to the weather—to near the cellar prices of last fall. January and early February prices hovered at below break-even levels, prompting many mills to wait on the sidelines until prices pick up again.

Plywood prices settled to an average of $192 per 1,000 board feet at the beginning of last month, slipping $10 to $12 from December. Prices are based on Random Lengths *weighted measure of seven key plywood items and nine key framing items.*

Commodity close-up: Studs & boards

Average monthly mill prices



Source: *Random Lengths*

Fall demand from a few large building jobs in the Southwest helped boost prices of KD Southern pine 2x4 studs to a high of $197 in early December, as demand for material in East Texas continued. By the end of December and during January, however, lower demand increased Western competition and combined with terrible weather to bring prices down sharply.

Mill prices for KD s-p-f 2x4 studs, meanwhile, were undercut by wholesale wood prices. Holiday closings at the mills were extended as prices dropped to an estimated average of $119 at year's end. Phone activity in January picked up, amid speculation that prices were beginning to interest some buyers, but buying levels changed only slightly. Ponderosa pine prices settled at $276 last month, following a six-month peak in December at $283.

Repair/remodel lumber use to rise 25% in 80's: study

NEW YORK—Lumber consumption in repair and remodeling is expected to grow by 25% during the 1980's to a total of 9.9 billion board feet annually, according to a report recently compiled by Merrill Lynch, Pierce, Fenner & Smith.

During the same period, 1978-79 to 1988-89, consumption of lumber for new residential construction will decline by 23%, the Merrill Lynch study, Forest Products Industry: Timber Demand and Supply During the 1980's, predicts.

Reindustrialization should boost nonresidential construction lumber use by 26% by the end of the decade.

Timber prices are expected to increase slowly during the 1980's because of availability, the report asserts, while the timber profits of forest products companies soar during the

(Continued on page 60)

FUTURES

Two weeks ended Feb. 5, 1982

	High	Low	Close	Previous Week	Open* Interest	Contract High	Contract Low
LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.							
March	149.80	140.10	144.20	148.80	3,138	247.50	140.10
May	154.60	145.20	149.90	154.00	3,480	220.30	145.20
July	165.40	156.10	161.40	164.10	996	224.50	156.10
Sept.	173.80	165.70	170.50	173.80	688	229.50	165.70
Nov.	174.20	167.50	171.80	173.00	676	244.50	167.50
Jan. '83	182.50	176.00	180.00	182.30	512	205.50	176.00
March	191.00	183.00	190.50	188.50	18	209.80	183.00

Total Contract Vol. (Through 2/5): 21,922 — **Previous Two Weeks: 26,212**
Total Open Interest (As of 2/4): 9,533 — **Previous Week: 9,573**
Cash Price: $126.42 — **Previous Week: $128.38** — **Year Ago: $155.82**

PLYWOOD (CBT)—76,032 sq. ft. ½-in. ext. 4/5-ply; $ per 1,000 sq. ft.							
March	191.50	182.00	186.30	190.50	2,422	252.00	181.60
May	197.80	188.30	192.20	196.40	1,211	241.00	188.30
July	203.50	194.00	198.00	201.50	335	219.00	193.40
Sept.	208.50	200.00	203.00	207.00	387	224.50	197.50
Nov.	214.00	204.00	208.00	213.00	74	226.50	202.30
Jan. '83	218.60	210.30	212.70	216.40	68	215.00	210.30

Total Contract Vol. (Through 2/5): 3,905 — **Previous Two Weeks: 3,925**
Total Open Interest (As of 2/4): 4,497 — **Previous Week: 4,506**
Cash Price: $175.42 — **Previous Week: $176.36** — **Year Ago: $208.74**

COMMODITY RESEARCH BUREAU INDEX:	This Week 267.9	Previous Week 267.2	Year Ago 302.7

CME—Chicago Mercantile Exchange — CBT—Chicago Board of Trade
*Figures for Thursday, Feb. 4.
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

Industry preps for Chicago show

(Continued from page 1)

vendors, checking out manufacturers, reviewing problems and seeing what else they have to offer us," according to Mannix. Anderson, who joined the staff in December, will be spending most of his time getting to know his new associates in the home center industry.

Scotty's product manager Ed Long will be attending the show along with "five or six" others from the 81-store Winter Haven, Fla.-based chain, including president/ceo Ray Cooney, vp-general sales manager Dennis Stults, operations coordinator Tom Leete and hardware buyer Morris Barton.

"We'll be looking for new merchandising techniques and new products," Long said. "I want to get some ideas for dump-bin items and displays." The Scotty's group will be at the show all four days.

Lowe's chairman Robert Strickland said his group of 12 will be busy "doing the same thing as in 1981," including looking for new trends, new products and new ideas "that will eventually help us run our stores better in 1982."

Also attending from the 224-store North Wilkesboro, N.C., chain will be Ross Burgess, vp-merchandising, Dick Griffin, vp-retail sales, all four merchandising vice presidents, about half a dozen merchandise managers, and top salespeople. The Lowe's people will be on hand for the full length of the show.

Central Hardware, St. Louis, will send a seven-person contingent to Chicago, according to merchandise manager Steve East.

"We'll be looking for extra deals and programs from our vendors and new ideas," East said. The Central group will pay particular attention to the bath displays, plumbing and electricals.

Others in the Central group include vice chairman Gene Howenstein, assistant merchandise manager Larry Tyler and buyers Charlie Mull, Victor Luechtefeld and Harvey Soule.

The Payless Cashways contingent from Kansas City, Mo., will number from "10 to 12," according to John Breedlove. "We'll be looking at everything, especially items we don't presently carry, new products and updates of our existing lines," he said.

In the Payless group will be chairman Stanley Covey, president David Stanley, executive vp Harlon Seats, three regional vps, the heads of the purchasing and marketing departments, some buyers and Breedlove.

"This is the one show we concentrate most on," Breedlove explained. "The Home Builders Show used to be the big one for us, but now we send only one person there."

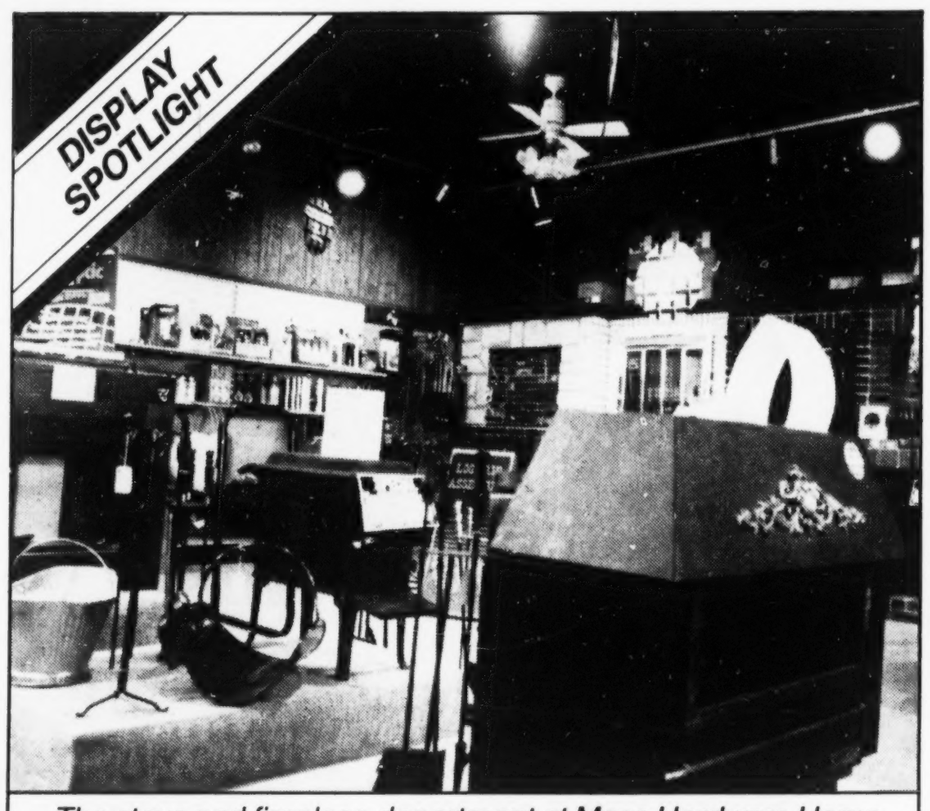
David Stanley will be spending two days at the show "reestablishing connections and meeting with the top people in the industry," he said. "I won't be concerning myself with sales."

Busy Beaver, Pittsburgh, is sending its entire buying staff of six to the show, vp-merchandising George Bauer, two merchandising managers and vp-marketing Tom Herward. The group will be led by president Jack Fagen, who will spend two days at the show.

"We'll be looking at new products and trying to solve some problems," said Herward. "Everyone has different objectives. We're making our plans now, setting our priorities so we can get the most from the show."

Forest City merchandise manager Tom Gritz said the 21-store Cleveland-based chain will send a group of 12, led by president Ed Seymour and including marketing vice president Steve Burkowski, all buyers and all merchandise managers.

"We'll be more aggressive in seeking out new products, specials, closeouts and trying to arrange for co-op advertising with our suppliers," Gritz said.



The stove and fireplace department at Mass Hardware Home Center, Waltham, Mass., is also used to display a ceiling fan and track lighting. NHCN photo

ITC: Imported knockoffs threaten U.S. stove biz

WASHINGTON—Foreign-made counterfeits of hot-selling wood-burning stoves are being channeled into this country at a rate that threatens to destroy United States wood stove manufacturers, officials at the International Trade Commission charged.

Maintaining that the imported knock-offs could "substantially injure the efficiently and economically operated air-tight cast-iron stove industry" in this country, the I.T.C. launched a broad new investigation of suspected unfair methods of competition by the foreigners.

Specifically, the commission is looking into industry charges that foreign competitors are using false advertising to deceive consumers as part of a massive campaign pass off copycat reproductions of United States brands.

Since the imports are "virtually identical copies" of American-made stoves, the foreign manufacturers may be infringing on the common law trademark protection of United States firms, I.T.C. investigators said. That was the court ruling in the recent Vermont Castings vs. Franklin Cast case.

The commission's staff has been directed to complete its preliminary probe by April 20, at which time I.T.C. may consider further action.

In a separate development affecting other home center supply sources, the International Trade Administration directed Federal Customs officials to block further distribution of fireplace wire mesh screen panels imported from Taiwan.

That action was triggered by a complaint from Pennsylvania-based International Management Service Assoc. charging that the foreign-made screens are being imported into this country for sale below their "fair market value."

An I.T.C. investigation confirmed that at least one Taiwan supplier—Yeh Seng Wire Mesh & Screen—was indeed distributing its fireplace mesh panels to United States retailers at prices ranging from less than 2% to more than 44% below fair market levels.

I.T.C. directed customs agents to begin immediately assessing special new "dumping duties" of 2.31% of the f.o.b. value of all such merchandise entering the country.

A second Taiwan manufacturer—Fuan Da Industrial—was found not to be engaged in such dumping activities, but officials at the agency said a more detailed investigation of that company's pricing practices was still under way.

A final determination is expected to be issued by the beginning of April.

Fastener sales to hit $14.5B by '95

CLEVELAND—By 1995, United States sales of fasteners are projected to increase by 237.2%, from $4.3 billion in 1980 to $14.5 billion, with imports accounting for less than 15% of that total.

A growth market analysis by the research firm Predicasts concluded that domestic producers would continue to retain virtually the entire specialty (nonstandard) fastener market segment, estimated to be $4.7 billion, or 33% of the total market volume in 1995.

However, importers will have a greater impact on the standard fastener market segment, which has higher production and sales volume levels.

Predicasts projected imports to grab 21% of this segment, which is estimated to hit $9.9 billion by 1995. The imported fasteners' major advantage was seen as low prices as a result of lower material and labor costs, duty differentials and foreign government price support programs.

Of the over 1,400 fastener producers, Japan continues to be the leading exporter, with 50% of its products shipped to the United States, 20% produced solely for American consumption.

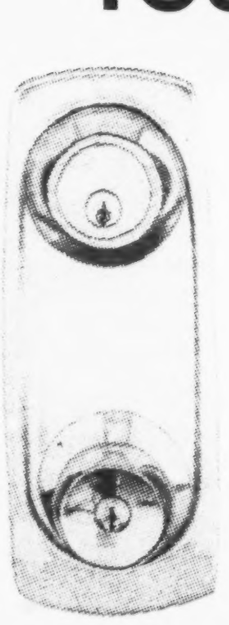
U.S. fastener sales

ITEM	1980	1995	Annual growth
Standard fasteners (mil.)	$2,854.3	$9,885	8.6%
% Imports	18.2	21.4	
Imported standard fasteners (mil.)	$519.8	$2,120	9.8%
Special fasteners (mil.)	$1,375.6	$4,655	8.5%
% Imports	0.7	0.3	
Imported special fasteners (mil.)	$10.4	$15	2.5%
Total fastener sales (mil.)	$4,229.9	$14,540	8.6%
% Imports	12.5	14.7	
Imported fasteners (mil.)	$530.2	$2,135	9.7%

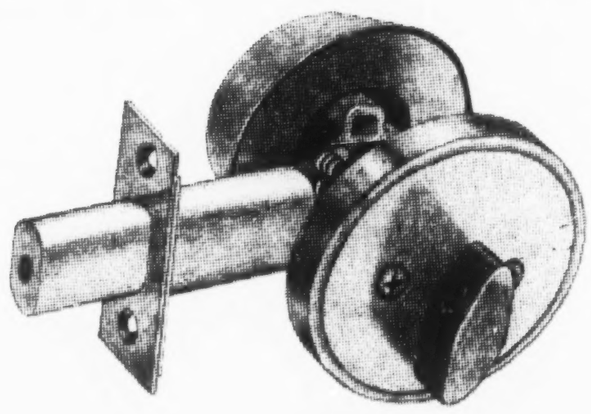
Source: Predicasts Research Group, Cleveland NHCN chart

Moss Manufacturing, Inc.

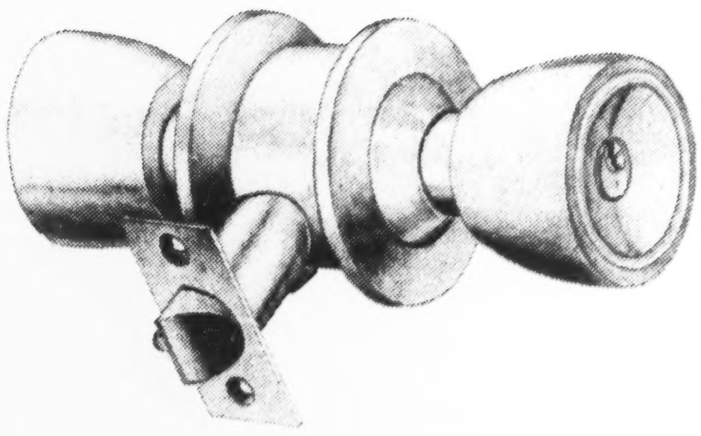
YOUR SECURITY HEADQUARTERS



Combination Entrance Lockset



Security Deadbolts



Cylindrical Entrance Locks

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Phone: (305) 883-0025
Telex: 808273 WORLD MOSS MIA

Abramson

(Continued from page 3)

Guys complex. Both units will measure 45,000 sq. ft.

Lieberman, 53, has been with the company since 1963 and was formerly chairman of the Pathmark division. He replaces Herbert Brody, 67, who has been elected chief executive officer.

Abramson, 64, has been with the company since 1966, and headed the Rickel operation as chairman from 1973 to 1977, when Peskin took over as president.

In addition to his new appointment, Abramson will continue to serve as an executive vice president of Supermarkets General and group executive for the company's general merchandise divisions. These include the Rickel operations and two department store chains—Howland-Steinbach and Hochschild, Kohn, with a total of 38 stores.

The company's volume for fiscal 1981, ended Jan. 30, 1982 neared the $3 billion mark, with 87% derived from its 117 Pathmark stores.